

L.P.

MARKET ELEMENTS AND ECONOMIC PLANNING IN ANTIQUITY.

I will endeavour to give you in briefest outline a picture of the present state of research into the economic history of antiquity. As you may be aware <sup>(by now)</sup> ~~(from the newspapers)~~ this is not a subject as far removed from topical interest as it would have appeared even a short time ago. Whether this fact should be credited more to our rapidly advancing knowledge of antiquity, or rather to our <sup>even more rapidly</sup> changing appreciation of 'price curbs' is a matter which, in fairness, should be left to the headlines of the newspapers. ~~to decide.~~

Let me choose the following as the starting point for my report. Eighty five years ago, Rodbertus-Jagetzow, the ~~Prussian~~ Prussian Junker Socialist, from whom Karl Marx learnt so much, published a series of ~~learned~~ essays on taxation in the Roman Empire. It is still the most suitable peg on which to hang a discussion of the economic problems of antiquity. For the clash of opinions to which that essay gave rise introduced a long drawn effort to see antiquity in its true character, undistorted by ~~these modernizing~~ <sup>had</sup> preconceptions, which made the high points of antiquity appear almost as a replica of the modern world. <sup>Eventually,</sup> This seemingly simple, and obvious requirement of critical thinking <sup>not</sup> to interpret the past in terms of the present <sup>involved</sup> no less than a revolution in our institutional concepts.

Accordingly, I will firstly deal with the so-called oikos controversy, in which Carl Baesher, on the one hand, Eduard Meyer, on the other were prominent. What was the result of this

prolonged clash of views, which Rostovtzeff, in 1941, still regarded as a live issue? Secondly, I will try to formulate the new, <sup>and even,</sup> ~~broader and even more important~~ issues which are replacing the dissolving ones, and which range far back before the time of Greece and Rome, to the irrigational Empires of the Nile Valley, and Mesopotamia. ~~Thirdly, I will endeavour to evaluate the overall results of recent research for an understanding of the past, and, if possible, for a firm grasp of the problems of the present.~~

### 1. THE OIKOS CONTROVERSY

In fairness to the modernizers it must be conceded that, on the ~~basic~~ fact of the oikos - the strictly self-sufficient household - both Rodbertus and Buecher were wrong, or at least were guilty of crass exaggeration. The ancients, Rodbertus wrote, had no taxation system of the modern kind, because antiquity knew not different types of revenue such as are formed in markets differentiated into land - labor- and capital markets. Domestic and plantation slavery formed the foundation of a large, completely self-sufficient household, which he called the oikos. Land and labour-power (the slave) were property of the owner and raw materials were produced and productively consumed within the precincts of the household. This was the birth of the oikos theorem. Thirty years later Buecher took up the point of the allegedly self-sufficient oikos and generalized from it to the primitive character of the whole economic life of antiquity which he likened more to that of savage society than to that of the modern world.

Now, as I indicated, the households of Roman plantation slavery were not self-sufficient; they carried on as a rule some kind of trade or other. Similarly mistaken was Buecher's picture of pre-literate communities. His primeval savage allegedly engaged in a 'lone search for food', <sup>was</sup> a mere construction which ignored all of the more recent findings of primitive economics.

This is, however, hardly to the point. In spite of inaccuracies, Rodbertus' oikos-theorem, implied a significant warning not to assume ~~readily~~, that economic activity and market activity were coterminous. And Buecher's call to consult social anthropology as a guide to ~~antiquity~~ classical antiquity has proved exceedingly fruitful. Though neither Rodbertus nor Buecher realised fully the implications of their position, it was their initiative which eventually led, in Max Weber's work, to a radical reformulation of the problem of capitalism in antiquity, and may lead us to the solution of <sup>eventually</sup> ~~the~~ <sup>some</sup> ~~riddle~~ of Babylonian economy.

This brings us to the subject matter of the controversy. Carl Buecher, as early as 1893, rejected the modernising views implied in the presentations of those great historians, Niebuhr, Grote, and Mommsen. In regard to political history, these scholars had taken a long step in the right direction, but they failed to do justice to the economic realities. ~~of antiquity~~ ~~in~~ ~~extent~~ They broke with an age long tradition of legendary <sup>h</sup> historiography, and at last presented Greek and Roman history as the story, not of gods, or half-gods, but human beings like our selves, using terms of everyday life. But inevitably, their

own everyday surroundings <sup>were</sup> ~~happened to be~~ (as ours ~~still largely~~ are) very different from those of ancient Rome, including in the description of our surroundings, factory town, stock exchange, colonial expansion, class struggles of employers and employees, ideological conflict of capitalistic and socialistic ideologies. No wonder that the figure of Pasion, the banker, made them feel at home in 4th century Athens, and that Brutus' usurious loans advanced to colonial governments, or the speculative boom worked up by equestrian corporations' promoters reminded them of Law and the 'Bubble', just as they still remind us of <sup>closer</sup> ~~some nearer~~ events. Similarly, the rise to power of a merchant and trader class at Athens and Rome, the revolt of plebeians and alleged socialist and communist movements, all this appeared familiar in their eyes (as it still largely appears to us), and gave a modern tinge to ancient life.

This fin de siècle portrait of antiquity was in hopeless contradiction to Rodbertus' marketless and exchangeless oikos of slave barracks, and even more so, to Buecher's primitivism which intended to strip the ancient Mediterranean of its alluring modernity and reduce it to the level of an African kraal. <sup>as Julius Beloch complained.</sup> ~~With~~ While Eduard Meyer, in 1895, still revelled in the description of the teeming trade and commerce of the ancients, starting from Babylonian ~~the~~ banks and manufactures, Buecher insisted that at no time before the establishment of the modern Western state was there anything in existence that deserved as much as the name of national economy - the German Volkswirtschaft - i.e. a complex of territorial economy of any considerable extent.

This, indeed, was a head on collision. The clash between modernisers and primitivists seemed at first to involve the whole <sup>realm of</sup> facts, as well as that of interpretation. True, on close analysis it emerged that it was more on the interpretation of the facts than on the facts themselves that they disagreed. But it was a long time before this was recognized, and an even longer time before the ~~same~~ <sup>of</sup> obstacles to <sup>the</sup> clarification were removed. This last step, I should perhaps say, has not yet been generally taken, and it will be one of my objects tonight to show how it can be successfully undertaken. Indeed, unless <sup>we</sup> ~~this is accomplished~~ <sup>are able to avoid inappropriate modernization</sup> in regard to ancient Greece and Rome, it appears hopeless to expect any real understanding of the much more remote problems of Babylonian <sup>or</sup> Sumer, Akkad, Assyria. ~~or Palestine.~~

Now, as to the facts of the controversy. Naturally, discussion at first centred around the numerical dimensions of economic life, primarily, in ancient Greece. What was the actual range and volume of Greek trade? How much of it consisted in manufactured articles produced for export? On what scale were Athenian factories run? How many slaves, how many free wage earners did they employ? What was the state of affairs in regard to credit, freight and insurance facilities? What were the activities and business methods of an Athenian banking House? What was the state of commercial law? How intensive was the trade carried on between founding state and colony? What ideas underlay monetary policy and currency reform? What were the trade policies of Athens, and to what extent were her wars, trade wars? How influential was the trading and commercial

interest in shaping domestic and foreign policy? What was the precise socio-economic content of the Solonian and Cleisthenian revolutions? And so on. *(Much detailed knowledge was gained)* yet the total result of research was singularly inclusive, ~~not~~ ~~the more was known about the facts,~~ roughly, the more drastically were modernising exaggerations reduced in regard to the scale of manufactures, the level of trading organisation, the refinements of banking, the scope of private business enterprise, and so on. Eventually not only the inflated facts, but ~~the very facts~~ also their interpretations, were deflated. The enormous colonizing activity of the Greeks in the 8th and 7th centuries turned out not to have been inspired by trade interests, as Meyer and Beloch taught. The tyrants of the 7th and 6th centuries had not been plutocratic - super employers, as Professor Ure argued. The stasis which rent Athens during the 6th century did not primarily arise from urban-manufacturing sources as Glotz and Toutain, Ferguson and Rostovzev <sup>held</sup> believed. The Solonic reforms, and for that matter, the Cleisthenian revolution was allied to not gained by the pressure of a rising urban middle class ~~or~~ a nascent proletariat, as Pechlmann <sup>believed</sup> assumed. The foreign policy of Attica was not shaped to any noticeable extent by trade interests as was almost generally thought by historians, ~~and~~ ~~indeed~~ ~~Attica~~ ~~indeed~~, Attica through the whole course of her history continued to impose a flat 2% import and export duty on all wares, thus providing conclusive evidence of the absence of any industrial protectionism whatsoever. *Incidentally, Rome did the same, only she made it 5%.*

Yet, on the other hand, some hard facts made it impossible to accept the primitivists' victory and to grant them the trophy. There was the fact of Minoan world trade in the Mediterranean down to the middle of the 2nd millennium; and, after a gap of a few centuries, that of Phoenician world trade, which some

time about the 8th century was <sup>gradually</sup> replaced by Greek trade, from the Azovian Lake to the Atlantic, and from the Danube to the Nile. Also there was the equally undeniable fact of Athenian banking facilities, which were destined to exert a deep and lasting influence on the forms of economic life under Hellenism. There was thus certain proof not only of the existence of world trade but also of Greek initiative in providing it with <sup>financial</sup> ~~banking and clearing~~ facilities. And could it be reasonably doubted that world trade and banking of the ~~8th~~ <sup>7th</sup> and 4th centuries, respectively, had been preceded by less advanced forms of trade and credit, thus attacking primitivism at its very foundation?

All in all, the outcome was disconcerting. While ancient <sup>its colonies, its wars, its changes, -</sup> ~~civilized~~ society appeared anything but 'modern', trade and the use of money undeniably existed on a scale comparable to the beginnings of modern times.

The explanation ~~of this puzzling result~~ was fairly simple. Both primitivists and their opponents failed to realise that to contrast 'modernity' with 'primitivism' in regard to human society meant to contrast the presence or absence not of trade or money, but of <sup>the</sup> market mechanism.

What makes a society 'modern' in our eyes is nothing else but the pervasive influence of market institutions - a supply-demand-price mechanism - on the total culture and especially the economic life of a community. Market institutions are inseparable from definite motivations and situations, techniques and culture traits of a marketing character. The distinctively modern traits of contemporary life such as speculation and advertisement, cut-throat competition and ~~business~~ business lobbies ~~and monopolies~~ are precisely the features which are connected with the effects and accessories of the market-system. Thus the term 'modern' when applied to economic life is not as vague and superficial as it might appear; it comprises a variety of traits which have their common root in the market organisation of society.

This is, of course, ~~wholly~~ wholly in accordance with what we should expect. For in the last resort, modern organization of production is market organization; modern social classes are classes formed through incomes determined in specific

markets; modern social struggle is struggle between economic classes, i.e. groups the status of which is defined in market terms, and the conflicts of which are conflicts about those terms. All this was, of course, implicitly implicit in Buecher's reference to the self-sufficient oikos, since ~~the~~ absence of exchange and markets was precisely the criterion which Rodbertus had claimed for his oikos. Yet neither Rodbertus nor Buecher made their conclusion explicit, that in ~~asserting~~ <sup>arguing</sup> the primitive character of ancient society they ~~insisted~~ <sup>argued</sup> on the absence of <sup>a</sup> ~~markets~~ <sup>system</sup> and ~~markets only~~. Consequently, they made the ~~same~~ <sup>total</sup> mistake of lumping trade, money and markets together under the heading of exchange institutions, thus precluding all profitable institutional analysis. Instead of distinguishing trade, i.e. the acquisition of goods from a distance, and the <sup>non-exchange</sup> uses of money, on the one hand, from markets on the other, they fused them in an institutional trinity (~~an incarnation~~ of the mythical division of labor) which were inseparable from one another. <sup>Consequently, where</sup> ~~where~~ there was division of labor there ~~was~~ <sup>were</sup> trade, money and markets. Incidentally, this semantic weakness made it almost impossible to ascertain the facts, especially the crucial presence or absence of <sup>organized</sup> ~~markets~~, since it led to the delusion that where money was met, trade could be assumed, and where trade was met, markets could be assumed.

Actually, these assumptions were hang-overs from modern conditions, reinforced by ~~the~~ traditional concepts of exchange economics. ~~In effect,~~ trade and some of the uses of money are permanent elements of human society, while markets are not - they represent a specific institutional development. This is true, primarily, of markets proper, i.e. a supply-demand-price mechanism (which is the modern meaning of the term), but it is true to a lesser extent even of sub-markets, which are a mere meeting of a number of individuals wishing to get rid of some goods and to acquire others, the exchange rate being fixed by custom, law, authority or other device, no supply-demand-price mechanism being involved.

It is remarkable that in spite of their intellectual courage and methodological



radicalism, Rodbartus and Buecher missed the decisive formulation which alone could ensure clarification, for they failed to isolate the market as the source of modernity, and consequently failed to contrast market institutions with trade and money, which are relatively independent of the market mechanism. The trinity of trade-money-market is indeed a distinctive feature of our modern market system, *where all trade is carried on through markets is by way of a supply & demand price mechanism.*

With us, trade is carried on through markets, and with us, in so far as it is used in trade, money does function as a means of exchange. But in the ancient world the opposite was true. Trade was not carried on through markets, and money only *primarily* ~~did not~~ *necessarily* function ~~as~~ as means of exchange.

Since ~~clear concepts~~ *clarity* on this point <sup>is</sup> are crucial for the understanding of antiquity, and indeed to a large extent of all economic history short of the last few centuries, I should like to add this. Trade may take - and largely took in the past - non-market forms such as gift trade, expeditionary trade, ceremonial trade, chartered trade, and other forms that are more a matter for the collectivity than for the individual as such. Similarly, the most widely spread uses of money objects, i.e. of quantifiable objects, were those of (1) means of payment and (2) standard of value, the two functions not necessarily performed by the same kind of object. Use of money (3) as a means of exchange is exceptional outside of institutionalized markets, which, as I said, should themselves be regarded as a specific development, the presence of which should not be taken for granted *merely* on account of the presence of trade or the presence of non-exchange uses of money.

In principle, therefore, absence of markets is compatible with a relatively high degree of trading activities and various non-exchange uses of money, *such as payment outside the market.* ~~as long as trade is carried on as gift trade, chartered trade, paying trade, and money is either used domestically as a means of payment or a standard of value, or in overseas trade as a means of exchange.~~

In brief, trade and money ~~in~~ on the one hand, markets on the other, must be sharply distinguished. ~~Only in terms such as these can account be rendered of the manner in which much of the economic life of the past was organized.~~

~~On an objective basis~~ the oikos controversy. In these terms ~~the~~ <sup>the</sup> ~~fact~~ <sup>fact</sup> ~~results~~ <sup>results</sup> of the ~~debate~~ <sup>debate</sup> no longer appear contradictory. There is no evidence that the world trade of the ancient Mediterranean or the banking which accompanied that trade was carried on through a supply-demand-price mechanism. Under these conditions, it is not surprising that Greek society and economic life does not strike us as 'modern'.

At this point, it ~~should~~ <sup>will</sup> be noted that the very terms world trade and banking are singularly misleading. Not as if they were not appropriate - since banking, there was; and the ends of the known world were involved in trade - but on account of the evolutionist ~~perspective~~ <sup>fabriety</sup> which goes with our modernizing <sup>perspectives</sup> ~~habits~~. World trade in antiquity was not ~~the~~ <sup>the</sup> ~~culmination~~ <sup>culmination</sup> (as with us), but rather the starting point of foreign trade, and probably the only form of trade in neolithic times, just as ancient colonization has been shown to start, as a rule, with the farthest away colony, not the nearest, the intervening sites being occupied later on. Eduard Meyer gave, a long time ago, a list of analogies from the history of explorations, starting with <sup>the Pharaonic</sup> ~~the~~ ~~Pharaonic~~ <sup>circumnavigator</sup> <sup>of</sup> Africa, <sup>with</sup> Vasco da Gama and Columbus in more modern times. <sup>In</sup> ~~In~~ fairness to Columbus, he should not be blamed for never having reached his aim, the Indies, being unexpectedly held up halfway. Obviously, had he known <sup>before</sup> he would have thought America much too <sup>close to his home port</sup> ~~near~~ to be worth while.

In regard to banking, again, we tend to think of it as an advanced form of dealing with money and credit. Actually, coins could not be used at all at that <sup>of the century B.C.</sup> ~~period~~ without the manual, and mental, occupation of testing and changing, which made the trapezite. But not even Pasion the freedman ever got beyond safe-keeping of deposits, payment on direct order to definite persons present, <sup>on the spot,</sup> pawn-broking and loans on non-commercial security. The crucial point, of course, is <sup>again</sup> that the economic life of antiquity was not worked through markets and therefore did not produce the credit instruments which are the raw material of modern banking. Roman banking was rather on a lower than a higher level ~~than~~ <sup>than</sup> Greek, and Ptolemaic banking developed

At the same time it should be added,  
they entirely overlooked the fact that  
the highly organized beginnings  
of a market system in civilized  
societies actually started to  
develop during the later part of  
classical antiquity, approximately  
from 4th century onwards. True  
this market system developed  
within a primitive framework  
of a warrior-type society which  
fatally limited its capacity of  
expansion.

This takes us to the second part  
of this address to the broader issues which  
require to be taken the place of the  
controversy on "modernism".

in the direction of transactions in 'kind' and not in money. Banking is <sup>therefore</sup> as misleading a criterion as world trade, when judging of the economy of the ancients. <sup>of "modernity"</sup>  
 Here again it was the modernizing <sup>remnants</sup> ~~hang-over~~ in the primitivists' <sup>own thinking</sup> position, with its rigid evolutionism, which permitted the modernisers to adduce world trade and banking as alleged proofs of the "modern" character of the ancient world.

We may conclude by saying, that the debate started by Rodbertus and Buecher <sup>broadly -</sup> has led to a vindication of their essential position, though only with the help of institutional insights which were still hidden from them. X G. Page, on the left!

<sup>H. NEW ISSUES</sup>  
 These results <sup>of the debate</sup> are, of course, in complete harmony with Max Weber's diagnosis of the sociological character of the Greek and Roman poleis, as settlements of partially detribalized populations, the leading strata of which ~~was~~ never ceased to be organized as a warriors' gild, and the democratization of which involved, therefore, the inclusion of all strata of the population, primarily the peasantry, in such a gild. Essentially, it was a predatory community, a group organized for war and conquest, forcible colonisation, raid and piracy, ~~and~~ naval power, exaction of tribute, exploitation of subjects, barbarian or otherwise. Both aristocratic leadership and equalitarian claims to maintenance of citizens by the community formed part of that tribal heritage. We possess a document of the highest authority which gives realistic details of the manner in which such a group can be organized for common maintenance through a common effort at domination. Aristotle's Constitution of Athens, the manuscript of which was recovered in 1891, gives an account of the procedure: After the victory over the Persians, he says - the date is 479 BC -, the aristocracy was in high repute on account of its services <sup>al</sup> during the war. Aristides and Themistocles were leaders of the people and directors of policy. Aristides founded the Delian League, of which Athens was the chief beneficiary. This was in ~~the year~~ 479 BC. Aristotle continues: "After this, seeing the state growing in confidence and much wealth accumulated, he <sup>Aristides -</sup> advised the people to lay hold of the leadership of the league and to quit the country districts and settle in the city. He pointed out to them that all would be able to gain a

as in the Trinity trade - money - markets

These

Salamis

living there, some by service in the army, others in the garrisons, others by taking part in public affairs; and in this way they would secure the leadership. <sup>C. Hegem. orig.</sup> This advice was taken, and when the people had assumed the supreme control they proceeded to treat their allies in a more imperious fashion, with the exception of the Chians, Lesbians and Samians. These they maintained to protect their empire, leaving their constitutions untouched, and allowing them to retain whatever dominion they then possessed. They also secured an ample maintenance for the mass of the population in the way which Aristides had pointed out to them. Out of the proceeds of the tributes and the taxes and the contributions of the allies, more than twenty thousand persons were maintained (the total number of citizens of Attica is estimated at less than <sup>50000</sup> ~~40000~~). There were 6000 jurymen, 1600 bowmen, 1200 ~~archers~~ Knights, 500 members of the Council, 500 guards of the dockyards, besides 50 guards in the city. There were some 700 magistrates at home, and some 700 abroad. Further, when they subsequently went to war, there were in addition 2500 heavy armed troops, twenty guard ships (representing another 4000 men), and other ships which collected the tributes, with crews amounting to 2000 men, selected by lot; and besides these there were the persons maintained at the Prytaneum, and orphans, and gaolers, since all these were supported by the state. In this way the population earned their livelihood..."

19,750

A few decades later, the value of citizenship had reached a record height. Under Pericles, no one who could not boast of <sup>all</sup> ~~both~~ his grandparents - male and female - having been born Attic citizens, could maintain his citizenship (and this in a minute city state, the aristocracy of which was wont to intermarry with the princes and rulers of Hellas). The genteel poverty which went with such a state of affairs is given away by the following passage from Plutarch's Cimon - Cimon was son of Miltiades, and himself a famous Athenian general, who was a most popular conservative leader in Pericles' time. Plutarch writes: <sup>(Cimon)</sup> "And since he was already wealthy, Cimon lavished the revenues from his campaign, which he was thought to have won with honor from the enemy, to his still greater honor, on his fellow-citizens. He took away the fences from his fields, that strangers and needy citizens might have in their power to take

fearlessly of the fruits of the land; and every day he gave a dinner at his house -  
simple, it is true, but sufficient for many, to <sup>which</sup> any poor man who wished came in, and  
so received a maintenance which cost him no effort and left him free to devote himself  
solely to public affairs." (Plut.: Cimon, X)

Not exchange, but reciprocity and redistribution were the forms of  
integration which originally dominated the economic life of Attica. <sup>Mic:</sup> ~~Thus~~, the  
reciprocity elements were <sup>with</sup> greatly weakened ~~when~~ the loosening of the clan tie, in <sup>the 8th</sup> ~~the~~  
the 7th century, with <sup>its</sup> ~~which~~ ~~went~~ blood feud, family rights in landed estate,  
inalienable property. Gift trade and the other highly developed gift and counter-gift  
systems common in the times of the Epics were <sup>now</sup> fading out. But the redistributive  
forms of tribal life did not disappear in the same manner <sup>as the reciprocating ones</sup> ~~with the loosening of the~~  
~~clan tie~~. <sup>(and its whole)</sup> The polis took over much of the inheritance of the tribe. The distribution  
of land - kleroi -, of booty, of a lucky strike in the Laurium mines - similarly to  
the gold mined on the isle of Syphnos - the claim to maintenance, to corn distribution  
in an emergency, the claim to participation in public displays, to pay for the  
performance of citizens' duties, - all this is a very real tribute to the strength  
of the redistributive factor in classical communities. The basic economic organization  
of the polis was redistribution of the proceeds of common activity; share in booty and  
tribute, share in conquered land and in colonial ventures, in the advantages to be  
gained from third-party trade.

I wished <sup>(through the medium of Aristotle)</sup> to remind you of all this. Yet scholars of rank such as, e.g.,  
Ulrich von Wilamowitz-Moellendorff refused as much as to consider Aristotle's account  
of the organization of Athens, which he regarded as a skit on Aristides and mob-rule.  
I think that the time has come, when ~~the~~ authentic evidence should be given its due  
and even the most venerable grounds of prejudice should be discounted when they are  
contrary to plain fact.

And yet we <sup>take with the 8th c. BC.</sup> part company with the primitivists ~~at this point~~. The ~~great~~ <sup>great</sup>  
contribution of ~~(the Greeks)~~ <sup>(the Greeks)</sup> to the economic life of antiquity consisted in the development

of the market habit and private trading, although the relationship of the warriors' gild to the new world trade remained more parasitic than <sup>positively</sup> ~~actively~~ participant. The polis - this is a dominating fact of the sociology of antiquity - had not only a free constitution but also a <sup>city</sup> market. The two together made the polis way of life. <sup>It is first, to be market.</sup> The new development <sup>(of the city market)</sup> cannot be dated with any precision, but it is fair to assume that Solonic Attica was already familiar with the market, but that it was only after the fall of the tyrannis that it fully developed. <sup>(570 B.C.)</sup>

One of the chief factors <sup>I believe</sup> was the rise, rule, and fall of the tyrannis itself. In support of this it might be said that the tyrannis episode was <sup>almost</sup> as <sup>generally</sup> characteristic of the polis as the acceptance of the market habit. <sup>itself.</sup>

(1) The rise of the tyrannis was <sup>usually the</sup> ~~the~~ result of the <sup>becoming</sup> need for the <sup>analysis.</sup> ~~the~~ public services, supplied by private persons (though <sup>as a rule</sup> ~~nearly~~ of noble birth). Such services included the police, night watch, land-surveying, tax collecting, public works such as temple building, repair and reconstruction, irrigation, other water-works, port facilities, the <sup>supplying</sup> ~~organizing~~ of mercenaries, the minting of money, the collecting of other revenues such as market dues, customs tariffs, and so on. All this involved hosts of employees, skilled workers and laborers, recruited from thetes and metics, strangers, fanned prisoners, slaves. Polyænus, who is a good source for culture traits, reports the rise to power of Dinnias, Phalaris, Theron, in almost identical terms: how they contracted for public services, for temple building, night watch, land surveying, ~~and~~ tax collecting (any or all of these), and how they seized power with the help of the people they had engaged to perform the jobs.

(2) After rise comes rule. <sup>with the new kingdom the</sup> ~~The~~ public services are <sup>now</sup> nationalized. <sup>He's employees</sup> Peisistratus is the great example. <sup>trude from the government, then dirt tools, (self)</sup> He started ~~in~~ public works - they were no longer given in contract - including temples and water-works. His private mint becomes the public mint, his 'owls' the device of Attican trade for centuries to come. And how did he provide for the <sup>slave</sup> ~~feeding~~ of his Scythian police, his mercenaries, the skilled workers and laborers employed in the public works, ~~then~~ the host of land surveyors and magistrates? Obviously from the tithes which, under him, Athens had - never

574 B.C.

(1) most of these

(2) become and servants: a new bureaucratic way.

before and never afterwards. <sup>A</sup> The passage in Aristotle ~~clearly~~ points in this direction.

(3)

<sup>(I am) very sure -</sup>  
After rule comes fall. And what do we see happening but the re-privatization of the nationalised services. <sup>State revenues, public works are again contracted out.</sup> True, Athens retains the ownership of the mines, also the mint, and the Scythian police. But all other public services are <sup>again</sup> farmed out, given out to contractors, handed to private persons to run under public control. Some services are discontinued altogether, or rather, put on an emergency basis; amongst them, two rather important ones: ~~the~~ army and taxation. Hence Attica raises armies or entrusts generals to do so (partly from public funds), and collects eisphora in case of need - an emergency capital levy, we would say. But the ~~generalization~~ ~~of~~ ~~nationalized~~ ~~bureaucracy~~ mass of recently nationalized, and now <sup>laboring, workers, and</sup> denationalized, bureaucracy is again on private hands, and is no longer supplied from public stores. <sup>In the last resort, they could fall back on government pay for</sup>

<sup>on maintenance. But they would not be paid from government stores!</sup>

It was, we believe, at this point that the market habit gained great public importance. The old primitive methods of organizing labor, with the help of treasure and its political influence on tribal chieftains and manorial lords - these archaic methods of the aspirants to tyranny - were no longer practicable. The public <sup>ability</sup> ~~servants~~ - and there were many - now had to procure their provisions from the agora, with their pay. In one field we have proof of this development, in that of the army. In the second half of the Peloponnesian war, and even more definitely under Agesilaos in Asia Minor, the provisioning of the army is done from markets which the general has 'provided', 'stocked', & 'prepared' on his prospective route. The Greek soldier <sup>brings his own food and</sup> keeps himself on his ~~own~~ pay.

Only if no market is available is the commanding general expected to provide in some other way for supplies (through raiding parties or requisitioning, or through the provision of camp-markets frequented by sutlers). This use of markets on the part of armies seems significant, and indicative of the manner in which the whole question of feeding the personnel of the public services was <sup>henceforth</sup> met, namely, the market-way.



But while the agora became part and parcel of the polis way of life, the rapidly developing private trade in foreign parts was never absorbed into the polis, at least not so far as Athens was concerned. (The earlier ~~h~~ story of Corinth and the later one of Rhodes ~~carried~~ <sup>carry</sup> different features. ~~But~~ Not these poleis, just as little as Sparta, but Athens became the prototype of the polis, which in its contrast with the Oriental countryside, the chora, became the nuclear problem of Hellenism.)

¶ For the warrior gild never gave in. Of the two types of traders known to man's early history, Athens knew only one. The man who belongs to the community, the merchant by status, the ~~dark~~ <sup>had not</sup> of Sumeria and Babylonia, never developed in early Athens, and in post-Peisistratidian Athens there was no room for him any more. The other type of merchant is the person who doesn't "belong": the foreigner and stranger, the member of a trading people such as the Phoenicians or the Beduin (they are rare), or maybe a detached person, a D.P., of which the world was full, the floating population of the time, which settled as a gar in Palestine, as a metic in Greece. This trader has no standing in the community, and the warrior-gild type cannot <sup>recognize that</sup> ~~permit~~ its own members <sup>could</sup> to gain honor and status by following his despised occupation. Mediterranean trade became Greek when it ceased to be Phoenician, but "Greek" in this sense did not mean Athenian or Spartan, it did not mean that it was a civic occupation, <sup>had become</sup> ~~that it was~~ an accepted profession of a polites.

From the intimately civic and internalized position of the agora and the <sup>on the one hand,</sup> utterly external relationship of the polis to foreign trade, <sup>on the other, essential</sup> the ~~whole~~ structure of the polis can be deduced. Athens never became the home of proud merchant burgesses, and the hundreds of agorai which came to birth in imitation of the one Athenian never penetrated an inch into the chora. The politico-sociological framework of the agora precluded that. It was an organization of citizens. The polis never overcame this constitutional limitation. If eventually the market system of the Hellenistic world failed, and the Roman Empire, in its sudden expansion, could not adapt that system so as to cope with the tasks of integrating a world empire, this was in the last resort due to that limitation. (Something faintly analogous might have already

happened once before, to take up an idea of Heichelheim's: neolithic markets, which definitely existed, did not continue to develop in the irrigational empires of the bronze-age city states, or certainly not at anything like a rate comparable to that of the growth of economic activity in this amazing outburst of civilizational forces.)

Here lie the new, decisive problems of ancient history. The recognition that not Babylonia, but Greece, was the birth-place of market methods, shifts the problem of market and non-market forms of integration of economic activities in more than one way. These non-market methods are based on reciprocity and redistribution - together we will briefly call them planning. The relation of market elements and economic planning appears in a new light. Our ability to give an adequate description of the economies of Babylonia will be the test.. Not so much Egypt is in the foreground, as Mesopotamia, for it was in Mesopotamia that the eclipse of the market took place while economic activity increased enormously; an activity which included trade and the use of money, as well as widely business transactions. It is here that the new conceptual tools will be tested. To keep to the instance of money: How is money as a standard of value possible, and also as a means of payment, while in the absence of markets it is hardly used in the domestic economy as a means of exchange? *These and similar questions require an answer...*

In early Babylonia, i.e. under the First Babylonian Dynasty, silver functioned as a standard of value, while in the decisive sector of the economy, the temples, accounts were carried on in units of the means of payment, which was barley. Barley was, in effect, the only means of payment in regard to taxes, rent, wages, and so on.

What did the equations mean, by which the laws proclaimed definite amounts of goods to be equal to one shekel of silver? What was the purpose of the striking stability of the equation level over long periods of time? And what was the purpose of formal stability in those - not rare - cases when the actual

standard of measurement was altered, in order to keep the equations stable?  
(Incidentally, what was the operational device used to achieve this without  
disrupting the metrological system?)

Such and similar questions will need more knowledge than we possess  
as yet for a satisfactory answer. But so much may be already said without  
~~prejudging~~ prejudging the limits of our ignorance: The traditional picture  
of a world gradually moving towards the consummation of a market economy is  
inadequate for a grasp of the past. Market elements have been with us again  
and again, and when a sudden expansion of the territory to be integrated made  
the market organization fail ~~as a social institution~~, non-market elements came  
to the fore. The study of the manner in which market and non-market elements  
are jig-sawed in the various periods of history is of the greatest interest and  
importance - importance also for the present, and the immediate future, in which,  
roughly, similar problems are again set to us. The study of ancient history may  
prove to be one of the most urgently needed tool-boxes for the conceptual mastery  
of the problems of every-day life.

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